

March 8, 2001

**COMPENSATED WORK THERAPY
TRANSITIONAL RESIDENCES (CWT TR) PROGRAM**

1. PURPOSE: This Veterans Health Administration (VHA) Directive implements provisions of Public Law 105-114, the “Veterans’ Benefits Act of 1997,” that expands and extends authority of the Therapeutic Transitional Housing Program in affiliation with the Compensated Work Therapy (CWT) Program.

2. BACKGROUND

a. Title 38 United States Code (U.S.C.) 1722 authorizes the Secretary of Veterans Affairs to operate residences and facilities as therapeutic housing in connection with the conduct of CWT programs. Specifically, this statute repeals the limitation of 50 therapeutic transitional residences authorized by Public Law 102-54 and expands the scope of resources that may be used as CWT Transitional Residences (TR).

b. Public Law 102-54 enacted June 13, 1991, authorized the CWT TR Demonstration Program. This program has offered therapeutic work-based residential rehabilitation services designed to facilitate successful community reintegration for veterans experiencing addictive disorders, mental illnesses, and homelessness.

c. TRs are a category of Psychosocial Residential Rehabilitation Treatment Programs (PRRTP), and as such are designated as Department of Veterans Affairs (VA) operating beds. These programs are designed to provide affordable, transitional housing with broad clinical support, where patients pay a “Program Fee” (from their CWT earnings) to cover the cost of room and board, food, utilities, and minor housing maintenance. Residents also save a portion of their earnings to help prepare for expenses associated with community reentry.

d. Overall the CWT TR Program is an ambitious effort incorporating numerous resources within VA and the community, designed to improve the vocational, psychosocial, and independent living skills of veterans so they may achieve optimal levels of independence and productivity.

e. During the initial Demonstration Phase of CWT TR, this psychosocial rehabilitation model generally limited the targeted veteran population to veterans for whom competitive employment was an expected outcome. However, this expanded authority encourages use of the model for program design and development that will maximize the functional status of veterans whose level of disability may preclude full employment. The primary objectives for these veterans are greater independence, improved social status, and reduced hospitalization.

3. POLICY: It is VHA policy that, in conjunction with its CWT Program, VHA may provide therapeutic transitional housing in purchased, leased, or other acquired residential housing.

***NOTE:** On VA medical grounds, facility space no longer being used to provide acute hospital care or employees quarters can be used as transitional dwellings.*

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a. As a recognized VA residential level of bed care, all veterans admitted to the CWT TR Program must have a rehabilitation plan with measurable psychosocial goals and objectives.
NOTE: The CWT TR Program may not be used as a simple substitute for community housing.

b. Only veterans enrolled in VHA priority Groups 1 through 6 participating in the CWT Program and a House Manager(s) may reside in the therapeutic housing units.

c. Each resident, other than the house manager(s), is required to pay a “TR program fee” during resident’s period of occupancy, to cover costs associated with operational expenses. These funds must be deposited in a subaccount of the local General Post Fund (GPF) and used only to support the expenses associated with the management and operations of the TR residences.

d. A resident’s length of stay in transitional housing should not exceed 12 months.

e. Residents are prohibited from using or possessing alcohol or illegal drugs on transitional property. Regular, random alcohol and drug screenings are required of all TR residents to ensure a substance-free environment.

4. ACTION

a. **Acquisition, Activation, and Maintenance of Residential Facilities.** Refer to Attachment A.

b. **Clinical Program Requirements and Considerations.** Refer to Attachment B.

c. **Transitional Residences Program Operations.** The therapeutic residences or facilities operate under the following provisions:

(1) Only eligible veterans who participate in VA CWT and a House Manager(s) may reside in transitional housing units.

(2) The House Manager(s) may be a “senior” or “graduate” patient, VA staff, contract employee, volunteer, or student. These individuals must possess:

(a) A stable, responsible, and caring demeanor.

(b) Leadership qualities such as effective communication skills.

(c) The ability to interact with diplomacy and tact.

(d) The ability to motivate others, accept feedback, follow a chain of command, and to coordinate and supervise various aspects of the household.

(3) Each resident, other than house manager(s), is required to pay a TR program fee (“rent”) during the resident’s period of occupancy, to cover costs associated with operational expenses.

(4) Residents may elect to pool resources for food or purchase their own food with staff oversight.

(5) Each resident must agree to participate in regular and random alcohol and drug screening.

d. **Financial Management Procedures**

(1) TR program fee (“rent”) collections, from CWT earnings, is to be deposited into a designated subaccount of the GPF. These funds are to be used to cover costs associated with the operations and management of these residential facilities as described in cost centers 8851-8859.

***NOTE:** A description of these costs is found in the Department’s guidance on cost center and budget object codes (VA Handbook 4671).*

(2) In order to meet statutory requirements for separate budgetary reporting by the Secretary of Veterans Affairs, the fiscal officer or Director at each VA medical center operating a CWT TR Program must ensure complete and accurate accounting for all GPF receipts and expenses associated with the operation of local programs. This is accomplished by ensuring accurate posting to the appropriate standard general ledger (SGL) accounts and cost centers within the Financial Management System (FMS).

(3) Specific accounts will be used for Agency-wide financial reporting as follows:

(a) **Payroll Deductions.** TR program fees (“rent”) automatically deducted from CWT payroll must be processed in FMS using transaction code TR 76, which will credit SGL account 5904 – Rental Income – Transitional Housing.

(b) **Office Payments.** TR program fees (“rent”) paid by veterans at the Cashier’s Office must be processed in FMS using transaction code CR 61, which will credit SGL account 5904 – Rental Income – Transitional Housing.

(c) **Operational Obligations.** All GPF expenditures for CWT TR utilities, maintenance, household items, etc., must be charged to Cost Centers 8851-8859.

e. **Funding Provisions.** New CWT TR program development may be funded as follows:

(1) Appropriated Funds from VA medical center or Veterans Integrated Services Network (VISN) level, in accordance with local policy.

(2) GPFs that are acquired within the VISN from other CWT TR program(s). ***NOTE:** Process requires approval of three-member panel and can be requested at any time.*

(3) Agency-wide GPFs, not to exceed \$500,000 (nationwide) in any given fiscal year. ***NOTE:** Process requires review by three-member panel. Requests will be accepted during the second quarter of each fiscal year. Awards will be made within 30 days of the beginning of the following fiscal year quarter.*

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(a) A three-member panel consisting of representatives of VHA Headquarters Mental Health Strategic Healthcare Group (MHSBG) (116), Office of Facilities Management (18), and the Deputy Assistant Under Secretary for Health (10N), will approve funding requests. General criteria for funding are as follows:

1. Local needs. Local needs are based on assessment of demand and availability of therapeutic transitional housing programs, and
2. Cost considerations. Cost considerations are based on total funding requested divided by number of CWT TR beds to be established, and
3. CWT Program operations and plans. CWT Program operations and plans are based on the CWT Program's identified capacity to ensure participants' earnings would be sufficient to meet the needs of veterans in the TR.
4. Management support. Management support is based on local commitment of staff and other resources to activate and operate the program.

(b) Requests for General Post Funding to cover the purchase or renovation of a CWT TR facility are to be submitted by the VISN Director to the VHA Headquarters MHSBG, Office of Psychosocial Rehabilitation (116D), c/o VA Medical Center, Building 148, Hampton, VA 23667.

5. REFERENCE

- a. Public Law 105-114.
- b. Title 38 U.S.C. 1722.
- c. VHA Directive 2001-010, Psychosocial Residential Rehabilitation Treatment Programs (PRRTP).

6. FOLLOW-UP RESPONSIBILITY: MHSBG (116D) is responsible for the contents of this directive.

7. RESCISSION: VHA Directive 99-015 is rescinded. This VHA Directive expires September 30, 2005.

S/ Dennis Smith for
Thomas L. Garthwaite, M.D.
Under Secretary for Health

Attachments

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ATTACHMENT A

GUIDANCE FOR ACQUISITION, ACTIVATION, AND MAINTENANCE OF
TRANSITIONAL RESIDENCE FACILITIES

1. Sources of Residences or Facilities. A transitional residence or facility may be established in any of the following:

a. Residential property acquired as the result of default on a loan made, guaranteed, or insured under Title 38 United States Code (U.S.C.) Chapter 37. In this instance, administrative jurisdiction over such property will be transferred from the Veterans Benefits Administration (VBA) to the Veterans Health Administration (VHA). An amount prescribed in accordance with section 202(a) of Public Law 105-114 would be transferred from the General Post Fund (GPF) to the Loan Guaranty Revolving Fund under 38 U.S.C., Chapter 37.

b. Residential property obtained from the Department of Housing and Urban Development (HUD). In this instance, funds in the amount authorized by Title 38 United States Code (U.S.C.) 1722 can be transferred from the GPF to HUD.

c. Suitable facility space or residence on Department of Veterans Affairs (VA) medical center grounds.

d. Any other suitable residential property purchased, leased, or otherwise acquired by VA.

2. Code Requirements for Residences. Community-based residential dwellings must comply with the following conditions:

a. Zoning requirements, building permit requirements, and all other similar requirements applicable to other real property used for similar purposes in the community.

b. State and community fire, safety, and sanitation requirements applicable to other real property used for similar purposes in the community, where therapeutic housing is located. Transitional housing should meet Board and Care Occupancy Standards of the National Fire Protection Association's Life Safety Code. **NOTE:** *Where conflicts arise between community fire departments and the Life Safety Code, the latter shall govern.*

3. Housing Renovations. Renovation of community property will be required to meet code requirements identified in preceding paragraph 2. Likewise, conversion of existing VA facility space may require renovation and décor modification to establish a residential environment necessary for a residential rehabilitation and community re-integration milieu. When existing VA facilities are converted to therapeutic transitional housing, modification would generally include the following basic rehabilitative requirements:

a. Kitchen, laundry, and dining facilities;

b. Common area where residents can socialize, conduct meetings or other activities; and

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c. Adequate privacy and personal space in sleeping area (ideally no more than two residents per room).

4. Residential Maintenance. Maintenance may be accomplished by residents through use of CWT work agreements, by VA Engineering staff, or through contracts with private companies.

ATTACHMENT B

CLINICAL PROGRAM REQUIREMENTS AND CONSIDERATIONS

1. Program Goals and Objectives. The primary goal of the Compensated Work Therapy (CWT) Transitional Residences (TR) Program is to maximize functional status, as measured by health maintenance, independence, and quality of life. Its approach to psychosocial rehabilitation is the use of normalized work and residential living environments, utilizing peer and professional support for vocational, social and independent living skill development. As such, typical services provided include:

- a. Therapeutic work experience activities designed to maximize vocational involvement, skill development, and earnings potential.
- b. A structured, alcohol and drug-free residential environment, with emphasis on personal responsibility and community involvement.
- c. Activities and guidance regarding life skills such as personal financial management, development of supportive social networks, consumerism, meal planning and preparation, healthy use of leisure time, etc.
- d. Clinical education and counseling to further health maintenance, such as relapse prevention, adaptive coping skills development, and medication management, etc.

2. Program Planning, Activation, and Reporting Requirements. Refer to Veterans Health Administration (VHA) Directive 2001-010, entitled Psychosocial Residential Rehabilitation Treatment Programs (PRRTP), for policy and procedures regarding official bed designation, program activation, workload capture and cost distribution, medical record requirements, etc.

3. Program Design Considerations. The use of this rehabilitative approach to a broad range of psychiatric disabilities necessitates that local programming is developed based upon the veteran population being served and overall client outcome expectations. To the extent possible, the type of facility and treatment milieu is to be designed to maximize rehabilitation opportunities and functional status improvement. For example:

- a. Programs designed for veterans with goals of competitive employment and independent community living should primarily utilize CWT community-based, transitional work and housing arrangements. Resident responsibilities for household and daily living activities should be maximized to mirror full independent living to the greatest extent possible.

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b. Programs designed for veterans with primary goals of minimizing hospitalization and maximizing potential for supported community living may primarily utilize “sheltered workshop” or part-time transitional work experiences, residential facilities on Department of Veterans Affairs (VA) grounds, and greater assistance and supervision of daily living activities and skills development.

4. Clinical Program Accreditation. All CWT TR programs must pursue accreditation under the “Community Housing Standards” of the Commission for Accreditation of Rehabilitation Facilities (CARF).